

Merchant Protection Terms

Introduction

This document outlines Klarna's program for protecting Merchants (**you**) from fraudulent disputes or chargebacks (**Merchant Protection Program**). The Merchant Protection Program protects you from the unpredictability of disputes in payments. If you face certain Customer claims, Klarna will enable you to retain the full purchase amount of the transaction for eligible orders, per the terms outlined in this document (**Merchant Protection Terms**). There is no limit or cap on the number of orders for which you can receive coverage.

Definitions used in these Merchant Protection Terms shall have the same meaning as used in the Cooperation Agreement between you and Klarna.

Klarna reserves the right to change these Merchant Protection Terms at any time.

This Merchant Protection Program may provide protection for you in relation to Claims where the following Customer complaints are made:

- **'Item not received'**
Customer alleges to Klarna in relation to a Claim, or part of a Claim, that the item(s) purchased have not been received from the Merchant.
- **'Unauthorized transaction'**
Customer alleges to Klarna in that a Claim has not been placed by such Customer.

The situations described above are hereinafter referred to as **Complaint(s)**.

1. General Requirements

For a Complaint to be eligible for the Merchant Protection Program, all of the following requirements (**General Requirements**) must be met, as well as any applicable additional requirements related to specific items or Complaints, as set out in Section 2-5 below.

- (a) Except as set out in Section 4 ([Additional requirements for Intangible Goods](#)), the disputed Claim must be related to an order for physical, tangible item(s); and
- (b) You have provided [Proof of shipment or delivery](#) which meet the requirements set out in Annex 1 (Proof of Shipment or Delivery); and
- (c) You have either (i) shipped the ordered item(s) to the Customer's shipping address, as approved by Klarna at time of purchase; or (ii) handed out the goods in accordance with the requirements set out in Section 5 ([Additional requirements for 'In-store sales or distribution'](#)). For clarity, the Merchant Protection Program does not apply for goods which have been originally shipped to the Customer's shipping address, but later been redirected to a different address; and
- (d) You must respond to Klarna's requests for documentation and other necessary order related information in a timely manner as requested by Klarna in Klarna's correspondence with you. If you do not respond to Klarna's requests within the time requested, the Merchant Protection Program will not apply in relation to such Complaint; and
- (e) If the Claim involves pre-ordered or made-to-order items, you must ship within the timeframe specified to the Customer in order to enjoy coverage by the Merchant Protection Program. Otherwise, it is recommended that the Merchant captures all items upon shipment of the order.

Klarna determines, in its sole discretion, whether the contested Claim qualifies for the Merchant Protection Program. Klarna will make a decision, based on the coverage and eligibility requirements, any information or documentation provided during the resolution process, and/or any other information Klarna deems relevant and appropriate under the circumstances.

2. Additional requirements for 'Item Not Received' Complaints

For an 'Item Not Received' Complaint to be eligible for Klarna's Merchant Protection Program, the Merchant must meet both the [General Requirements](#) set out in Section 1, and the additional requirements listed below:

- The Merchant must provide valid [Proof of Delivery](#) documentation as set out in Annex 1.

3. Additional requirements for 'Unauthorized Transactions' Complaints

For an 'Unauthorized Transaction' Complaint to be eligible for Klarna's Merchant Protection Program, the Merchant must meet both the [General Requirements](#) set out in Section 1, and the additional requirements listed below:

- The order must have been approved by Klarna at time of purchase; and
- The Merchant must provide valid [Proof of Shipment or Delivery](#) documentation as set out in Annex 1.

4. Additional requirements for 'Intangible Goods'

For a Complaint related to sales of intangible goods to be eligible for Klarna's Merchant Protection Program, the sale must meet the [General Requirements](#) as set out in Section 1, and the following additional requirements:

- The Merchant must have complied with any integration requirements provided by Klarna.
- For the sale of services, digital goods or licenses for digital content to be eligible for the Merchant Protection Program the Merchant must provide proof of incurred cost for consumption of the goods.
- The Merchant must deliver the intangible goods and provide a [Proof of Shipment or Delivery for Intangible Goods](#) as set out in Annex 1.

5. Additional requirements for 'In-store sales or distribution'

For a Complaint to be eligible for Klarna's Merchant Protection Program when distributing products and services in physical stores, the Merchant must meet the [General Requirements](#) set out in Section 1, and the following additional requirements:

- Goods may only be distributed to the Customer or to a person authorized by the Customer. If the Customer is a company, the recipient of the goods shall present a power of attorney evidencing that such person is authorized to pick up the goods and a copy of such power of attorney shall be made and stored for at least six (6) months.
- The Merchant shall verify the ID of both the Customer, and, as the case may be, recipient of the goods.
- The Merchant shall produce and store a proof of delivery document that shows date and time of distribution, items distributed, prices, personal identity number and printed name of the customer, and, as the case may be, personal identity number, printed name and telephone number of the authorized person and signature of the recipient for at least six (6) months.

If it is, within Klarna's sole discretion, determined that an order is placed using the 'Klarna Checkout In-Store' solution and the Customer receives the goods instantly, the additional requirements set out in this Section 5 do not need to be fulfilled.

Annex 1

Establishing valid Proof of Shipment or Delivery

<p>Physical Goods</p> <p>The following is required as proof of shipment or delivery for physical goods:</p>	
Proof of Shipment	Proof of Delivery
<p>Online or physical documentation from the Merchant or from a shipping company that includes:</p> <ul style="list-style-type: none"> • Date of shipment (YYYY-MM-DD) • An address for the recipient that matches the shipping address data approved by Klarna at time of purchase; and • An address for the recipient showing at least the city/province, city/country, or postal/zip code (or international equivalent). 	<p>Online or physical documentation from the Merchant or from a shipping company that includes:</p> <ul style="list-style-type: none"> • Date of delivery (YYYY-MM-DD) and delivery status; and • An address for the recipient that matches the shipping address data approved by Klarna at time of purchase; and • An address for the recipient showing at least the city/province, city/country, or postal/zip code (or international equivalent); and • Signature confirmation of the person receiving the goods when the full amount of the payment, including shipping and taxes, exceeds 750 USD or the regional equivalent at the time the transaction was being processed. Signature confirmation exists as online documentation, viewable at the shipping company's website, indicating that the item was signed for. Notwithstanding the foregoing in this bullet-point, signature confirmation is not required for deliveries in Germany or in the United Kingdom.

OR;

Online or physical documentation of ID verification from the Merchant or from a shipping company that includes:

- Date of delivery (YYYY-MM-DD) and delivery status; and
- Printed confirmation of a physical ID check of the person receiving the goods; and
- Printed name or employee ID of the person performing the ID check; and
- Type of ID presented.

OR;

Online or physical documentation of one-time passcode authorizations from the Merchant or from a shipping company that includes :

- Date of delivery (YYYY-MM-DD) and delivery status; and
- Date and time of the authorization being sent; and
- Phone number or email of person receiving the goods to match data approved by Klarna at time of purchase.

OR;

Online or physical documentation of customer authentication delivery from the Merchant or from a shipping company that includes :

- Date of delivery (YYYY-MM-DD) and delivery status; and
- Date of authentication (YYYY-MM-DD); and
- First and last name of person receiving the goods to match data approved by Klarna at time of purchase; and
- Type of authentication used.

	<p>OR;</p> <p>For goods which are delivered to the Customer by the Merchant in person (e.g. furniture), any alternative evidence of delivery or documentation/information that Klarna and the Merchant have agreed upon in writing prior to goods being delivered.</p> <p>IMPORTANT: Your choice of carrier and shipment options with that carrier can have a big impact on your ability to meet the proof of delivery requirements. Please ensure, especially when shipping goods internationally, that your carrier can provide 'delivered' status at the correct address and any additional proof, or the claim may not be eligible for the Merchant Protection Program.</p>
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Proof of shipment or delivery for 'Intangible Goods'

Intangible Goods

The following is required as proof of shipment or delivery for intangible goods:

For intangible or digital goods, proof of shipment or delivery means compelling evidence to show the item was delivered or the purchase order was fulfilled. Compelling evidence could include a system of record showing the date (YYYY-MM-DD) the item was sent and that it was either:

- Electronically sent to the recipient, including the recipient's address (email, IP, etc.), where applicable; or
- Received or accessed by the recipient.

Exceptions

Claims will not be eligible for coverage under Klarna's Merchant Protection program if:

- The Customer claims (either with Klarna or their card issuer) that the item the Merchant sent isn't what was ordered referred to as 'Not as Described'. Determined by Klarna, in its sole discretion.
- It involves an item that Klarna determines, in its sole discretion, is a counterfeit item.
- It involves items equivalent to cash including gift cards.
- It involves donations.
- It relates to the purchase of a financial product or investment of any kind.